the fraudulently structured Co-Borrowing Facilities, causing certain RFEs to draw down in excess of $3.4 billion under the Co-Borrowing Facilities to be used for the sole benefit of the Rigas Family, using such funds for purposes that provided no benefit to the Debtors, and failing to fully inform the independent members of Adelphia's Board of Directors of the circumstances surrounding such conduct.

861. Each of Brown and Mulcahey breached his fiduciary duties to the Debtors as officers of Adelphia by, among other things, causing the Debtors to enter into the fraudulently structured Co-Borrowing Facilities, causing certain RFEs to draw down in excess of $3.4 billion under the Co-Borrowing Facilities to be used solely for the benefit of the Rigas Family, and failing to fully inform the independent members of Adelphia's Board of Directors of the circumstances surrounding such conduct.

862. As a result of the conduct alleged herein, each of the Agent Banks and each of the Investment Banks aided and abetted the foregoing breaches of fiduciary duties by substantially assisting in those breaches with knowledge of their unlawfulness.

863. In pursuing a fraudulent course of conduct, each member of the Rigas Family and Brown and Mulcahey acted in a manner that was adverse to the interests of the Debtors. However, the Rigas Family, Brown and Mulcahey were not the "sole actors" with respect to the Debtors. Rather, there were independent directors at Adelphia who would have brought the activities of the Rigas Family, Brown and Mulcahey to an abrupt halt had they been properly and timely advised by any of the Agent Banks or the Investment Banks.

864. The conduct of each of the Agent Banks and each of the Investment Banks was wrongful, without justification or excuse and contrary to generally accepted standards of

morality. In addition, the acts and omissions of each of the Agent Banks and each of the Investment Banks were committed with actual malice and/or a wanton and willful disregard of the Debtors' rights and, in light of the parties' relationship, represent unconscionable and unjustifiable conduct.

865. Moreover, the conduct of each of the Agent Banks and each of the Investment Banks harmed the public generally because, among other things: (i) public investors and arms-length creditors relied upon Adelphia's public filings, which each of the Agent Banks and each of the Investment Banks knew were inaccurate with respect to Adelphia's liabilities under the Co-Borrowing Facilities; (ii) the offerings underwritten by the Investment Banks involved numerous investors that publicly traded Adelphia's securities shortly after the initial offerings; (iii) Adelphia's public investors and arms-length creditors relied on each of the Agent Banks and each of the Investment Banks to conduct itself prudently and without conflicts of interest; and (iv) each of the Agent Banks and each of the Investment Banks knew that it was advising the members of the Rigas Family, who owed fiduciary duties to Adelphia's shareholders and other public investors. Each of the Agent Banks authorized its participation in, and funding under, the Co-Borrowing Facilities, and each of the Investment Banks participated in underwritings of Adelphia's securities, despite its knowledge or reckless disregard of the wrongful conduct of the Rigas Family.

866. By reason of the foregoing, the Debtors have been damaged in the amount of at least $5 billion, or such other amount to be determined at trial.

THIRTY-EIGHTH CLAIM FOR RELIEF

(Aiding and Abetting Fraud Against the Agent Banks and the Investment Banks)

867. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

868. As a result of the conduct alleged herein, each member of the Rigas Family and each of Brown and Mulcahey made fraudulent misrepresentations and omissions of material facts by, among other things, causing the Debtors to enter into the fraudulently structured Co-Borrowing Facilities and failing to disclose to Adelphia's independent Board of Directors the true purpose and effect of the facilities, causing certain RFEs to draw down in excess of $3.4 billion under the Co-Borrowing Facilities to be used for the sole benefit of the Rigas Family, using such funds for purposes that provided no benefit to the Debtors, and failing to fully inform the independent members of Adelphia's Board of Directors of the circumstances surrounding such conduct.

869. Each member of the Rigas Family and each of Brown and Mulcahey made such representations and omissions of material facts with the actual intent that the Debtors rely upon them.

870. The Debtors reasonably relied upon such representations and omissions of material fact to their detriment.

871. As a result of the conduct alleged herein, each of the Agent Banks and each of the Investment Banks aided and abetted the foregoing fraudulent conduct by substantially assisting in such conduct with knowledge of its unlawfulness.

872. In pursuing a fraudulent course of conduct, each member of the Rigas Family and Brown and Mulcahey acted in a manner that was adverse to the interests of the Debtors. However, the Rigas Family, Brown and Mulcahey were not the "sole actors" with respect to the Debtors. Rather, there were independent directors at Adelphia who would have brought the activities of the Rigas Family, Brown and Mulcahey to an abrupt halt had they been properly and timely advised by any of the Agent Banks or the Investment Banks.

873. The conduct of each of the Agent Banks and each of the Investment Banks was wrongful, without justification or excuse and contrary to generally accepted standards of morality. In addition, the acts and omissions of each of the Agent Banks and each of the Investment Banks were committed with actual malice and/or a wanton and willful disregard of the Debtors' rights and, in light of the parties' relationship, represent unconscionable and unjustifiable conduct.

874. Moreover, the conduct of each of the Agent Banks and each of the Investment Banks harmed the public generally because, among other things: (i) public investors and arms-length creditors relied upon Adelphia's public filings, which each of the Agent Banks and each of the Investment Banks knew were inaccurate with respect to Adelphia's liabilities under the Co-Borrowing Facilities; (ii) the offerings underwritten by the Investment Banks involved numerous investors that publicly traded Adelphia's securities shortly after the initial offerings; (iii) Adelphia's public investors and arms-length creditors relied on each of the Agent Banks and each of the Investment Banks to conduct itself prudently and without conflicts of interest; and (iv) each of the Agent Banks and each of the Investment Banks knew that it was advising the members of the Rigas Family, who owed fiduciary duties to Adelphia's shareholders and other public investors. Each of the Agent Banks authorized its participation in, and funding under, the

Co-Borrowing Facilities, and each of the Investment Banks participated in underwritings of Adelphia's securities, despite its knowledge or reckless disregard of the wrongful conduct of the Rigas Family.

875. By reason of the foregoing, the Debtors have been damaged in the amount of at least $5 billion, or such other amount to be determined at trial.

THIRTY-NINTH CLAIM FOR RELIEF

(Gross Negligence Against The Agent Banks)

876. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

877. By virtue of its fiduciary duty, special relationship and/or superior knowledge with respect to the Debtors, each of the Agent Banks owed a duty to the Debtors (i) to act with reasonable care in the course of its duties and responsibilities as lenders, and (ii) to keep the Debtors fully informed of material facts concerning its services.

878. Each of the Agent Banks breached its duty by, among other things, approving participation in each of the Co-Borrowing Facilities and authorizing funding thereunder despite actual or constructive knowledge that (i) the Co-Borrowing Facilities were fraudulently structured to give the Rigas Family access to billions of dollars on the Debtors' credit (for which the Debtors would remain liable), (ii) the Rigas Family intended to use funds from the Co-Borrowing Facilities for their own purposes with no benefit to the Debtors, and (iii) the Rigas Family was causing Adelphia to fail to disclose the true extent of its liability under the Co-Borrowing Facilities.

879. Each of the Agent Banks breached its duties to the Debtors so that its affiliated Investment Bank could earn millions of dollars of transaction fees for underwriting and financial advisory services in connection with Adelphia's issuance of securities.

880. The conduct of each of the Agent Banks caused the Debtors and the Debtors' arms-length creditors significant harm. Among other things, had any of the Agent Banks disclosed to Adelphia's independent directors the material information it possessed with respect to, among other things, the fraudulent structure of the Co-Borrowing Facilities, the Rigas Family's fraudulent use of co-borrowing funds and the Rigas Family's failure to cause Adelphia to accurately disclose its liabilities under the Co-Borrowing Facilities, Adelphia's Board of Directors would not have authorized such facilities.

881. Thus, as a result of each of the Agent Bank's breaches, the Debtors became insolvent, further insolvent, inadequately capitalized and/or unable to pay its debts as they would become due in the ordinary course of its business and affairs.

882. The conduct of each of the Agent Banks was wrongful and without justification or excuse. In addition, the acts and omissions of each of the Agent Banks were committed with actual malice and/or a wanton and willful disregard of the Debtors' rights and, in light of the parties' relationship, represent unconscionable and unjustifiable conduct.

883. Moreover, the conduct of each of each of the Agent Banks harmed the public generally because, among other things: (i) public investors and arms-length creditors relied upon Adelphia's public filings, which each of the Agent Banks knew were inaccurate with respect to Adelphia's liabilities under the Co-Borrowing Facilities; (ii) the offerings underwritten by the each of the Agent Bank's affiliated Investment Bank involved numerous investors that publicly

traded Adelphia's securities shortly after the initial offerings; (iii) Adelphia's public investors and arms-length creditors relied on each of the Agent Bank's affiliated Investment Bank to conduct itself prudently and without conflicts of interest; and (iv) each of the Agent Banks knew that it was advising the members of the Rigas Family, who owed fiduciary duties to Adelphia's shareholders and other public investors. Each of the Agent Banks participated in the Co-Borrowing Facilities despite its knowledge or reckless disregard of the wrongful conduct of the Rigas Family.

884. By reason of the foregoing, the Debtors have been damaged in the amount of at least $5 billion, or such other amount to be determined at trial.

FORTIETH CLAIM FOR RELIEF

(Gross Negligence Against The Investment Banks)

885. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

886. By virtue of its fiduciary duty, special relationship and/or superior knowledge with respect to the Debtors, each of the Investment Banks owed a duty to the Debtors (i) to act with reasonable care in the course of its duties and responsibilities as underwriters and/or financial advisors, and (ii) to keep the Debtors fully informed of all material facts concerning its services.

887. Each of the Investment Banks breached its duties by, among other things, underwriting Adelphia's securities offerings and failing to keep Adelphia's independent Board of Directors fully informed of all material facts despite actual or constructive knowledge that (i) each of the Co-Borrowing Facilities were fraudulently structured to give the Rigas Family access

to billions of dollars on the Debtors' credit (for which the Debtors would remain liable), (ii) the Rigas Family intended to use funds from the Co-Borrowing Facilities for their own purposes with no benefit to the Debtors, and (iii) the Rigas Family was causing Adelphia to fail to disclose the true extent of its liability under the Co-Borrowing Facilities.

888. Each of the Investment Banks breached its duties to the Debtors so that it could earn millions of dollars of transaction fees for its underwriting and financial advisory services in connection with Adelphia's issuance of securities.

889. The conduct of each of the Investment Banks caused the Debtors and the Debtors' creditors significant harm. Among other things, had any of the Investment Banks disclosed to Adelphia's independent directors the material information it possessed with respect to, among other things, the Rigas Family's fraudulent use of co-borrowing funds and the Rigas Family's failure to cause The Debtors to accurately disclose its liabilities under the Co-Borrowing Facilities, Adelphia's Board of Directors would not have authorized such facilities.

890. Thus, as a result of each of the Investment Bank's breaches, the Debtors became insolvent, further insolvent, inadequately capitalized and/or unable to pay its debts as they would become due in the ordinary course of its business and affairs.

891. The conduct of each of the Investment Banks was wrongful, without justification or excuse and contrary to generally accepted standards of morality. In addition, the acts and omissions of each of the Investment Banks were committed with actual malice and/or a wanton and willful disregard of the Debtors' rights and, in light of the parties' relationship, represent unconscionable and unjustifiable conduct.

892. Moreover, the conduct of each of each of the Investment Banks harmed the public generally because, among other things: (i) public investors and arms-length creditors relied upon Adelphia's public filings, which each of the Investment Banks knew were inaccurate with respect to Adelphia's liabilities under the Co-Borrowing Facilities; (ii) the offerings underwritten by the Investment Banks involved numerous investors that publicly traded Adelphia's securities shortly after the initial offerings; (iii) Adelphia's public investors and arms-length creditors relied on each of the Investment Banks to conduct itself prudently and without conflicts of interest; and (iv) each of the Investment Banks knew that it was advising the members of the Rigas Family, who owed fiduciary duties to Adelphia's shareholders and other public investors. Each of the Investment Banks participated in underwritings of the Debtors' securities, despite its knowledge or reckless disregard of the wrongful conduct of the Rigas Family.

893. By reason of the foregoing, the Debtors have been damaged in the amount of at least $5 billion, or such other amount to be determined at trial.

FORTY-FIRST CLAIM FOR RELIEF

(Declaratory Judgment Against the CCH Co-Borrowing Lenders)

894. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

895. The CCH Credit Agreement provides, among other things:

> Notwithstanding any contrary provision, it is the intention of the Borrowers, the Lenders, and the Administrative Agent that the amount of the Obligation for which any Borrower is liable shall be, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer, or similar Laws applicable to such Borrower. Accordingly, notwithstanding anything to the contrary

> contained in this Agreement or any other agreement or instrument executed in connection with the payment of any of the Obligations, the amount of the Obligation for which any Borrower is liable shall be limited to an aggregate amount equal to the largest amount that would not render such Borrower's obligations hereunder subject to avoidance under *Section 548* of the *United States Bankruptcy Code* or any comparable provision of any applicable state Law.

(CCH Credit Agreement, Section 9.6) (original emphasis).

896. Defendants BMO, Wachovia, Citibank, ABN AMRO, BNS, BONY, Credit Lyonnais, CSFB, Fleet, Merrill Lynch, Mitsubishi Trust, Morgan Stanley, SunTrust, CIBC, BLG, Rabobank, Credit Industriel, CypressTree, Dai-Ichi Kangyo, DG Bank, DLJ, Fifth Third, First Allmerica, Firstar, Foothill, Industrial Bank of Japan, Jackson National, Kemper Fund, KZH III, KZH CypressTree, KZH ING, KZH Langdale, KZH Pondview KZH Shoshone, KZH Waterside, Liberty-Stein, Meespierson, Mellon Bank, Natexis, NCBP, CypressTree Floating Rate Fund, Olympic Trust, Oppenheimer, Pinehurst, Principal Life, Societe Generale, Stein Roe, U.S. Bank and United of Omaha are parties to the CCH Loan Agreement.

897. As a result of the conduct alleged herein, all or a significant portion of the Obligations (as defined in the CCH Credit Agreement) under the CCH Credit Agreement are subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provision of any applicable state law.

898. There is a bona fide dispute among the parties concerning their rights and obligations under the CCH Credit Agreement.

899. Plaintiffs are entitled to a declaration that, under the CCH Credit Agreement, the Debtors are not liable for any of the Obligations under the CCH Credit Agreement in excess of those permitted by the CCH Credit Agreement.

FORTY-SECOND CLAIM FOR RELIEF

(Declaratory Judgment Against the Olympus Co-Borrowing Lenders)

900. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

901. The Olympus Credit Agreement provides, among other things:

> Notwithstanding any contrary provision, it is the intention of the Borrowers, the Lenders, and the Administrative Agent that the amount of the Obligation for which any Borrower is liable shall be, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer, or similar Laws applicable to such Borrower. Accordingly, notwithstanding anything to the contrary contained in this Agreement or any other agreement or instrument executed in connection with the payment of any of the Obligations, the amount of the Obligation for which any Borrower is liable shall be limited to an aggregate amount equal to the largest amount that would not render such Borrower's obligations hereunder subject to avoidance under *Section 548* of the *United States Bankruptcy Code* or any comparable provision of any applicable state Law.

(Olympus Credit Agreement, Section 9.6) (original emphasis.)

902. Defendants BMO, Wachovia, BNS, Fleet, BONY, BofA, Citicorp, TDI, Chase, Deutsche Bank, CSFB, Credit Lyonnais, Royal Bank of Scotland, Societe Generale, Fuji Bank, CIBC, Credit Industriel, Merrill Lynch Debt Fund, Merrill Lynch Trust, Merrill Lynch Portfolio, Merrill Lynch Floating Rate Fund, Natexis, Riviera Funding, Stanwich, Sumitomo and Toronto Dominion are parties to the Olympus Credit Agreement.

903. As a result of the conduct alleged herein, all or a significant portion of the Obligations (as defined in the Olympus Credit Agreement) under the Olympus Credit Agreement are subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provision of any applicable state law.

904. There is a bona fide dispute among the parties concerning their rights and obligations under the Olympus Credit Agreement.

905. Plaintiffs are entitled to a declaration that, under the Olympus Credit Agreement, the Debtors are not liable for any of the Obligations under the Olympus Credit Agreement in excess of those permitted by the Olympus Credit Agreement.

FORTY-THIRD CLAIM FOR RELIEF

(Avoidance and Recovery of Voidable Preferences Under 11 U.S.C. §§ 547 and 550 Against the Century-TCI Lenders)

906. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

907. On or within the ninety-day period preceding the Petition Date, the Century-TCI Lenders received payments of principal, interest and fees in the amount of at least $4,000,240.45 from the Century-TCI Debtors (the "Century-TCI Payments").

908. The Century-TCI Payments were transfers of an interest in the property of the Century-TCI Debtors.

909. Each of the Century-TCI Debtors was insolvent as of the date of the Century-TCI Payments.

910. As a result of the Century-TCI Payments, the Century-TCI Lenders recovered more than they would have recovered in a Chapter 7 liquidation.

911. By virtue of the foregoing, pursuant to sections 547 and 550 of the Bankruptcy Code, all of the Century-TCI Payments should be avoided, recovered and preserved for the benefit of the Century-TCI Debtors' estates.

FORTY-FOURTH CLAIM FOR RELIEF

(Avoidance and Recovery of Voidable Preferences Under 11 U.S.C. §§ 547 and 550 Against the Parnassos Lenders)

912. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

913. On or within the ninety-day period preceding the Petition Date, the Parnassos Lenders received payments of principal, interest and fees in the amount of at least $25,370,318.41 from the Parnassos Debtors (the "Parnassos Payments").

914. The Parnassos Payments were transfers of an interest in the property of the Parnassos Debtors.

915. Each of the Parnassos Debtors was insolvent as of the date of the Parnassos Payments.

916. As a result of the Parnassos Payments, the Parnassos Lenders recovered more than they would have recovered in a Chapter 7 liquidation.

917. By virtue of the foregoing, pursuant to sections 547 and 550 of the Bankruptcy Code, all of the Parnassos Payments should be avoided, recovered and preserved for the benefit of the Parnassos Debtors' estates.

FORTY-FIFTH CLAIM FOR RELIEF

(Unjust Enrichment Against the UCA/HHC Lenders)

918. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

919. The UCA/HHC Lenders approved the UCA/HHC Facility and authorized funding thereunder despite their knowledge that, among other things: the structure of the UCA/HHC Facility allowed the Rigas Family to use proceeds of the facility for their own benefit, with no benefit to the Debtors; the RFE co-borrowers contributed a disproportionately small number of the assets from which the UCA/HHC Lenders could expect repayment; and the Rigas Family intended to, and in fact did, use funds from the UCA/HHC Facility for their own purposes, with no benefit to the Debtors.

920. Despite their knowledge, at the closing of the UCA/HHC Facility, the UCA/HHC Lenders received the UCA/HHC Security Interests and, thereafter, received principal and interest payments from the Debtors on funds drawn down by the Rigas Family, for which the Debtors received no benefit. Moreover, the UCA/HHC Lenders seek to recover from the Debtors principal and interest payments on amounts drawn by the Rigas Family under the UCA/HHC Facility, for which the Debtors received no benefit.

921. By reason of the foregoing, the UCA/HHC Lenders have been unjustly enriched at the Debtors' expense.

922. The Debtors have no adequate remedy at law.

923. Equity and good conscience compels the UCA/HHC Lenders to: (i) terminate the UCA/HHC Co-Borrowing Security Interests, (ii) return to the Debtors all amounts paid by the Debtors in respect of funds drawn under the UCA/HHC Co-Borrowing Facility that were used by the Rigas Family, plus interest from the date of each payment made by the Debtors to the UCA/HHC Co-Borrowing Lenders, and (iii) relinquish any purported right to payment from

the Debtors for amounts drawn under the UCA/HHC Co-Borrowing Facility by the Rigas Family.

FORTY-SIXTH CLAIM FOR RELIEF

(Unjust Enrichment Against the CCH Co-Borrowing Lenders)

924. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

925. The CCH Co-Borrowing Lenders approved the CCH Co-Borrowing Facility and authorized funding thereunder despite their knowledge that, among other things: the structure of the CCH Co-Borrowing Facility allowed the Rigas Family to use proceeds of the facility for their own benefit, with no benefit to the Debtors; the RFE co-borrower contributed a disproportionately small number of the assets from which the CCH Lenders could expect repayment; and the Rigas Family intended to, and in fact did, use funds from the CCH Co-Borrowing Facility for their own purposes, with no benefit to the Debtors.

926. Despite their knowledge, at the closing of the CCH Co-Borrowing Facility, the CCH Lenders received the Century Security Interests and, thereafter, received principal and interest payments from the Debtors on funds drawn down by the Rigas Family, for which the Debtors received no benefit. Moreover, the CCH Lenders seek to recover from the Debtors principal and interest payments on amounts drawn by the Rigas Family under the CCH Co-Borrowing Facility, for which the Debtors received no benefit.

927. By reason of the foregoing, the CCH Lenders have been unjustly enriched at the Debtors' expense.

928. The Debtors have no adequate remedy at law.

929. Equity and good conscience compels the CCH Lenders to: (i) terminate the CCH Co-Borrowing Security Interests, (ii) return to the Debtors all amounts paid by the Debtors in respect of funds drawn under the CCH Co-Borrowing Facility that were used by the Rigas Family, plus interest from the date of each payment made by the Debtors to the CCH Co-Borrowing Lenders, and (iii) relinquish any purported right to payment from the Debtors for amounts drawn under the CCH Co-Borrowing Facility by the Rigas Family.

FORTY-SEVENTH CLAIM FOR RELIEF

(Unjust Enrichment Against the Olympus Lenders)

930. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

931. The Olympus Lenders approved the Olympus Facility and authorized funding thereunder despite their knowledge that, among other things: the structure of the Olympus Facility allowed the Rigas Family to use proceeds of the facility for their own benefit, with no benefit to the Debtors; the RFE co-borrower contributed a disproportionately small number of the assets from which the Olympus Lenders could expect repayment; and the Rigas Family intended to, and in fact did, use funds from the Olympus Facility for their own purposes, with no benefit to the Debtors.

932. Despite their knowledge, at the closing of the Olympus Facility, the Olympus Lenders received the Olympus Security Interests and, thereafter, received principal and interest payments from the Debtors on funds drawn down by the Rigas Family, for which the Debtors received no benefit. Moreover, the Olympus Lenders seek to recover from the Debtors principal and interest payments on amounts drawn by the Rigas Family under the Olympus Facility, for which the Debtors received no benefit.

933. By reason of the foregoing, the Olympus Lenders have been unjustly enriched at the Debtors' expense.

934. The Debtors have no adequate remedy at law.

935. Equity and good conscience compels the Olympus Lenders to: (i) terminate the Olympus Security Interests, (ii) return to the Debtors all amounts paid by the Debtors in respect of funds drawn under the Olympus Facility that were used by the Rigas Family, plus interest from the date of each payment made by the Debtors to the Olympus Co-Borrowing Lenders, and (iii) relinquish any purported right to payment from the Debtors for amounts drawn under the Olympus Co-Borrowing Facility by the Rigas Family.

FORTY-EIGHTH CLAIM FOR RELIEF

(Equitable Estoppel Against the Co-Borrowing Lenders)

936. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

937. As alleged herein, each of the Co-Borrowing Lenders and each of the Investment Banks engaged in wrongful conduct directed towards the Debtors and its arms-length creditors.

938. Each of the Co-Borrowing Lenders entered into the Co-Borrowing Facilities and authorized funding thereunder despite actual knowledge, or reckless disregard of the fact, that the Co-Borrowing Facilities were fraudulently structured to give the Rigas Family access to billions of dollars (for which the Co-Borrowing Debtors would remain liable), that the Rigas Family intended to, and did, use those funds for their own benefit, and that the Debtors concealed the true extent of their liabilities under the Co-Borrowing Facilities. The Co-

Borrowing Lenders were similarly aware of the fraudulent uses of the Non-Co-Borrowing Facilities as alleged herein.

939. Prior to the consummation of the Co-Borrowing Facilities, each of the Agent Banks conducted extensive due diligence on its own behalf and on behalf of the other Co-Borrowing Lenders. Similarly, each of the Agent Banks approved participation in the Co-Borrowing Facilities to obtain millions of dollars of investment banking fees for its affiliated Investment Bank, and obtained extensive due diligence about the Debtors from its Investment Bank (which underwrote one or more of the Debtors' securities offerings). After each of the Co-Borrowing Facilities closed, the Agent Banks and the other Co-Borrowing Lenders obtained compliance certificates from the Debtors as required by the Co-Borrowing Agreements. Upon information and belief, the Agent Banks also were authorized to obtain compliance certificates and other information on behalf of the other Co-Borrowing Lenders. Upon information and belief, the Agent Banks were obligated to, and did, transmit to the other Co-Borrowing Lenders information about the Co-Borrowing Debtors' borrowings under the Co-Borrowing Facilities and other indebtedness. To the extent that any of the Co-Borrowing Lenders did not know of, or recklessly disregard, the massive fraud at the Debtors, the knowledge and wrongful conduct of the Agent Banks should be imputed to each of the other Co-Borrowing Lenders by virtue of the agency relationships among them.

940. For their part, the Investment Banks -- as a result of, among other things, the efforts of the Agent Banks -- earned hundreds of millions of dollars of fees providing structured finance advice to Adelphia and underwriting and marketing Adelphia's securities. In the process, each of the Investment Banks induced purchasers of those securities to rely on various offering materials that were materially misleading.

941. Indeed, at all times during the marketing of Adelphia's securities, each of the Investment Banks either knew, recklessly disregarded or were intentionally blind to the fact that the offering materials contained material misrepresentations and omissions regarding the business and financial condition of the Debtors, including, without limitation, the extent of the Debtors' leverage. Indeed, none of the offering materials made any disclosure of the extensive fraud the Rigas Family was perpetrating at Adelphia, including the failure to disclose the true amount of the Co-Borrowing Obligations. The Investment Banks induced investors to rely on those false and deceptive representations about the Debtors' financial condition in making their decisions to extend credit to Adelphia and other Debtors by purchasing debt securities.

942. Moreover, each of the Investment Banks had its purportedly independent analysts issue knowingly misleading reports on Adelphia's securities to inflate the market value of the Rigas Family's holdings, the bonds issued by Adelphia and its direct and indirect subsidiaries, and the portion of the Debtors' credit facilities that its affiliated Agent Bank was selling in the secondary loan market.

943. Thus, with respect to the wrongful conduct directed at the Debtors and their arms-length creditors, each Investment Bank and its affiliated Agent Bank acted as a single unit. Indeed, many of the Investment Banks and the Agent Banks held themselves out to the Debtors as unitary organizations offering underwriting and related financial advisory services, along with traditional credit banking services.

944. Moreover, each of the Co-Borrowing Lenders intended to syndicate all or a substantial portion of their interest in the Co-Borrowing Facilities to other institutions. By and

through the syndication, each of the Co-Borrowing Lenders attempted to eliminate the significant risk of exposure to the continuing fraud being perpetrated by the Rigas Family.

945. The foregoing conduct amounts to a knowing misrepresentation and/or concealment of material facts from the independent members of Adelphia's Board of Directors, with the intention that the Debtors act upon such conduct.

946. As alleged above, the independent members of Adelphia's Board of Directors lacked knowledge of the true facts and would have taken action to thwart the foregoing conduct had they been fully informed. Indeed, the independent members of Adelphia's Board of Directors -- and thus, the Debtors -- relied upon the conduct of the Co-Borrowing Lenders and the Investment Banks by, among other things, approving the Co-Borrowing Facilities and continuing to allow the Debtors -- and, as a result of the foregoing fraudulent conduct, the Rigas Family -- to draw funds thereunder.

947. By reason of the foregoing inequitable conduct, the Co-Borrowing Lenders should be estopped from retaining and enforcing the Co-Borrowing Security Interests, from retaining principal and interest payments made by the Debtors in respect of amounts drawn down under the Co-Borrowing Facilities for the benefit of the Rigas Family, and from seeking to recover outstanding principal and interest payments from the Debtors with respect to funds drawn under the Co-Borrowing Facilities for the benefit of the Rigas Family.

FORTY-NINTH CLAIM FOR RELIEF

(Avoidance and Recovery of Voidable Preferences Under 11 U.S.C. §§ 547, 550 and 551 Against the Frontiervision Lenders)

948. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

949. In the ninety-day period preceding the Petition Date, the Frontiervision Debtors granted to the Frontiervision Lenders as collateral all or a portion of the stock, limited liability company interests or partnership interests, as applicable, or assets of the following entities (the "Frontiervision Collateral Transfers"): Adelphia Communications of California III, LLC, FOP Indiana, L.P., and The Maine Internetworks, Inc.

950. In the ninety-day period preceding the Petition Date, the Frontiervision Lenders perfected the Frontiervision Collateral Transfers by, among other things, filing financing statements pursuant to the Uniform Commercial Code ("UCC").

951. In the ninety-day period preceding the Petition Date, the Frontiervision Lenders received payments of interest in the amount of at least $16,842,141.40 (the "Frontiervision Payments").

952. The Frontiervision Collateral Transfers, the perfection of the Frontiervision Collateral Transfers and the Frontiervision Payments were transfers of an interest in the property of the applicable Debtors (the "Frontiervision Preferential Transfers").

953. Each of the Debtors was insolvent as of the Date of the Frontiervision Preferential Transfers.

954. As a result of the Frontiervision Preferential Transfers, the Frontiervision Lenders recovered more than they would have recovered in a Chapter 7 liquidation.

955. By virtue of the foregoing, pursuant to sections 547, 550 and 551 of the Bankruptcy Code, all of the Frontiervision Preferential Transfers should be avoided, recovered, and preserved for the benefit of the Debtors' estates.

FIFTIETH CLAIM FOR RELIEF

(Avoidance and Recovery of Voidable Preferences Under 11 U.S.C. §§ 547 and 550 Against the CCH Lenders)

956. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

957. In the ninety-day period preceding the Petition Date, the CCH Lenders received payments of principal, interest and fees in the amount of at least $520,020,641.72 (the "CCH Payments").

958. The CCH Payments were transfers of an interest in the property of the applicable Debtors (the "CCH Preferential Transfers").

959. Each of the Debtors was insolvent as of the date of the CCH Preferential Transfers.

960. As a result of the CCH Preferential Transfers, the CCH Lenders recovered more than they would have recovered in a Chapter 7 liquidation.

961. By virtue of the foregoing, pursuant to sections 547 and 550 of the Bankruptcy Code, all of the CCH Preferential Transfers should be avoided, recovered, and preserved for the benefit of the Debtors' estates.

FIFTY-FIRST CLAIM FOR RELIEF

(Avoidance and Recovery of Voidable Preferences Under 11 U.S.C. §§ 547, 550 and 551 Against the Olympus Lenders)

962. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

963. In the ninety-day period preceding the Petition Date, the Olympus Debtors granted to the Olympus Lenders as collateral all or a portion of the capital stock or assets of Starpoint, Limited Partnership, Three Rivers Cable Associate L.P., Cable Sentry Corporation, Coral Security, Inc., Westview Security, Inc., Lake Champlain Cable Television Corporation, Young's Cable TV Corp, and ACC Cable Communications FL-VA, LLC (the "Olympus Collateral Transfers").

964. In the ninety-day period preceding the Petition Date, the Olympus Lenders perfected the Olympus Collateral Transfers by, among other things, filing financing statements pursuant to the UCC, obtaining possession of the applicable stock certificates or using other means provided by applicable state law.

965. In the ninety-day period preceding the Petition Date, the Olympus Lenders received payments of principal, interest and fees in the amount of at least $14,025,192.86 (the "Olympus Payments").

966. The Olympus Collateral Transfers, the perfection of the Olympus Collateral Transfers and the Olympus Payments were transfers of an interest in the property of the applicable Debtors (the "Olympus Preferential Transfers").

967. Each of the Debtors was insolvent as of the Date of the Olympus Preferential Transfers.

968. As a result of the Olympus Preferential Transfers, the Olympus Lenders recovered more than they would have recovered in a Chapter 7 liquidation.

969. By virtue of the foregoing, pursuant to sections 547, 550, and 551 of the Bankruptcy Code, all of the Olympus Preferential Transfers should be avoided, recovered and preserved for the benefit of the Debtors' estates.

FIFTY-SECOND CLAIM FOR RELIEF

(Avoidance and Recovery of Voidable Preferences Under 11 U.S.C. §§ 547, 550 and 551 Against the UCA/HHC Lenders)

970. Plaintiffs reallege paragraphs 1 through 530 as if fully set forth herein.

971. In the ninety-day period preceding the Petition Date, the UCA/HHC Debtors granted to the UCA/HHC Lenders as collateral all or a portion of the capital stock or assets of Southwest Virginia Cable, Inc. Adelphia Central Pennsylvania, LLC, Adelphia Cablevision of Santa Ana LLC, and Adelphia Cablevison of Simi Valley LLC (the "UCA/HHC Collateral Transfers").

972. In the ninety-day period preceding the Petition Date, the UCA/HHC Lenders perfected the UCA/HHC Collateral Transfers by, among other things, filing financing statements pursuant to the UCC, obtaining possession of the applicable stock certificates or using other means provided by applicable state law.

973. In the ninety-day period preceding the Petition Date, the UCA/HHC Lenders received payments of principal, interest and fees in the amount of at least $25,707,881.96 (the "UCA/HHC Payments").

974. The UCA/HHC Collateral Transfers, the perfection of the UCA/HHC Collateral Transfers and the UCA/HHC Payments were transfers of an interest in the property of the applicable Debtors (the "UCA/HHC Preferential Transfers").

975. Each of the Debtors was insolvent as of the date of the UCA/HHC Preferential Transfers.

976. As a result of the UCA/HHC Preferential Transfers, the UCA/HHC Lenders recovered more than they would have recovered in a Chapter 7 liquidation.

977. By virtue of the foregoing, pursuant to sections 547, 550, and 551 of the Bankruptcy Code, all of the UCA/HHC Preferential Transfers should be avoided, recovered and preserved for the benefit of the Debtors' estates.

WHEREFORE, Plaintiffs respectfully request that the Court enter judgment in favor of Plaintiffs:

(i) on its First Claim for Relief, pursuant to sections 548, 550, and 551 of the Bankruptcy Code, avoiding, preserving and recovering for the benefit of the estates all UCA/HHC Co-Borrowing Obligations incurred or granted on or within the year preceding the Petition Date, and all UCA/HHC Co-Borrowing Security Interests securing UCA/HHC Co-Borrowing Obligations incurred or granted on or within the year preceding the Petition Date, together with all interest paid in respect of the obligations avoided hereunder;

(ii) on its Second Claim for Relief, pursuant to sections 548, 550, and 551 of the Bankruptcy Code, avoiding, preserving and recovering for the benefit of the estates all UCA/HHC Co-Borrowing Obligations incurred or granted on or within the year preceding the

Petition Date, and all UCA/HHC Co-Borrowing Security Interests securing UCA/HHC Co-Borrowing Obligations incurred or granted on or within the year preceding the Petition Date, together with all interest paid in respect of the obligations avoided hereunder;

(iii) on its Third Claim for Relief, pursuant to sections 544(b), 550, and 551 of the Bankruptcy Code, avoiding, preserving and recovering for the benefit of the estates: (A) (i) all UCA/HHC Co-Borrowing Obligations, and (ii) all UCA/HHC Co-Borrowing Security Interests securing UCA/HHC Co-Borrowing Obligations; or, alternatively, (B) (i) all UCA/HHC Co-Borrowing Obligations incurred for the benefit of the Rigas Family, and (ii) all UCA/HHC Co-Borrowing Security Interests securing UCA/HHC Co-Borrowing Obligations incurred for the benefit of the Rigas Family, together with all interest paid in respect of the obligations avoided hereunder;

(iv) on its Fourth Claim for Relief, pursuant to sections 544(b), 550, and 551 of the Bankruptcy Code, avoiding, preserving and recovering for the benefit of the estates: (A) (i) all UCA/HHC Co-Borrowing Obligations, and (ii) all UCA/HHC Co-Borrowing Security Interests securing UCA/HHC Co-Borrowing Obligations; or, alternatively, (B) (i) all UCA/HHC Co-Borrowing Obligations incurred for the benefit of the Rigas Family, and (ii) all UCA/HHC Co-Borrowing Security Interests securing UCA/HHC Co-Borrowing Obligations incurred for the benefit of the Rigas Family, together with all interest paid in respect of the obligations avoided hereunder;

(v) on its Fifth Claim for Relief, pursuant to sections 548, 550, and 551 of the Bankruptcy Code, avoiding, preserving and recovering for the benefit of the estates all CCH Co-Borrowing Obligations incurred or granted on or within the year preceding the Petition Date, and

all CCH Co-Borrowing Security Interests securing CCH Co-Borrowing Obligations incurred or granted on or within the year preceding the Petition Date, together with all interest paid in respect of the obligations avoided hereunder;

(vi) on its Sixth Claim for Relief, pursuant to sections 548, 550, and 551 of the Bankruptcy Code, avoiding, preserving and recovering for the benefit of the estates all CCH Co-Borrowing Obligations incurred or granted on or within the year preceding the Petition Date, and all CCH Co-Borrowing Security Interests securing CCH Co-Borrowing Obligations incurred or granted on or within the year preceding the Petition Date, together with all interest paid in respect of the obligations avoided hereunder;

(vii) on its Seventh Claim for Relief, pursuant to sections 544(b), 550, and 551 of the Bankruptcy Code, avoiding, preserving and recovering for the benefit of the estates: (A) (i) all CCH Co-Borrowing Obligations, and (ii) all CCH Co-Borrowing Security Interests securing CCH Co-Borrowing Obligations; or, alternatively, (B) (i) all CCH Co-Borrowing Obligations incurred for the benefit of the Rigas Family, and (ii) all CCH Co-Borrowing Security Interests securing CCH Co-Borrowing Obligations incurred for the benefit of the Rigas Family, together with all interest paid in respect of the obligations avoided hereunder;

(viii) on its Eighth Claim for Relief, pursuant to sections 544(b), 550, and 551 of the Bankruptcy Code, avoiding, preserving and recovering for the benefit of the estates: (A) (i) all CCH Co-Borrowing Obligations, and (ii) all CCH Co-Borrowing Security Interests securing CCH Co-Borrowing Obligations; or, alternatively, (B) (i) all CCH Co-Borrowing Obligations incurred for the benefit of the Rigas Family, and (ii) all CCH Co-Borrowing Security Interests

securing CCH Co-Borrowing Obligations incurred for the benefit of the Rigas Family, together with all interest paid in respect of the obligations avoided hereunder;

(ix) on its Ninth Claim for Relief, pursuant to sections 548, 550, and 551 of the Bankruptcy Code, avoiding, preserving and recovering for the benefit of the estates all Olympus Co-Borrowing Obligations incurred or granted on or within the year preceding the Petition Date, and all Olympus Co-Borrowing Security Interests securing Olympus Co-Borrowing Obligations incurred or granted on or within the year preceding the Petition Date, together with all interest paid in respect of the obligations avoided hereunder;

(x) on its Tenth Claim for Relief, pursuant to sections 548, 550, and 551 of the Bankruptcy Code, avoiding, preserving and recovering for the benefit of the estates all Olympus Co-Borrowing Obligations incurred or granted on or within the year preceding the Petition Date, and all Olympus Co-Borrowing Security Interests securing Olympus Co-Borrowing Obligations incurred or granted on or within the year preceding the Petition Date, together with all interest paid in respect of the obligations avoided hereunder;

(xi) on its Eleventh Claim for Relief, pursuant to sections 544(b), 550, and 551 of the Bankruptcy Code, avoiding, preserving and recovering for the benefit of the estates: (A) (i) all Olympus Co-Borrowing Obligations, and (ii) all Olympus Co-Borrowing Security Interests securing Olympus Co-Borrowing Obligations; or, alternatively, (B) (i) all Olympus Co-Borrowing Obligations incurred for the benefit of the Rigas Family, and (ii) all Olympus Co-Borrowing Security Interests securing Olympus Co-Borrowing Obligations incurred for the benefit of the Rigas Family, together with all interest paid in respect of the obligations avoided hereunder;

(xii) on its Twelfth Claim for Relief, pursuant to sections 544(b), 550, and 551 of the Bankruptcy Code, avoiding, preserving and recovering for the benefit of the estates: (A) (i) all Olympus Co-Borrowing Obligations, and (ii) all Olympus Co-Borrowing Security Interests securing Olympus Co-Borrowing Obligations; or, alternatively, (B) (i) all Olympus Co-Borrowing Obligations incurred for the benefit of the Rigas Family, and (ii) all Olympus Co-Borrowing Security Interests securing Olympus Co-Borrowing Obligations incurred for the benefit of the Rigas Family, together with all interest paid in respect of the obligations avoided hereunder;

(xiii) on its Thirteenth Claim for Relief, pursuant to sections 548, 550, and 551 of the Bankruptcy Code, avoiding, recovering and preserving for the benefit of the estates (i) the Century-TCI Transfer, and (ii) all Century-TCI Security Interests securing the Century-TCI Transfer, together with all interest paid in respect of the obligations avoided hereunder;

(xiv) on its Fourteenth Claim for Relief, pursuant to sections 548, 550, and 551 of the Bankruptcy Code, avoiding, recovering and preserving for the benefit of the estates (i) the Century-TCI Transfers, and (ii) all Century-TCI Security Interests securing the Century-TCI Transfer, together with all interest paid in respect of the obligations avoided hereunder;

(xv) on its Fifteenth Claim for Relief, pursuant to sections 544(b), 550, and 551 of the Bankruptcy Code, avoiding, recovering and preserving for the benefit of the estates (i) the Century-TCI Transfer, and (ii) all Century-TCI Security Interests securing the Century-TCI Transfer, together with all interest paid in respect of the obligations avoided hereunder;

(xvi) on its Sixteenth Claim for Relief, pursuant to sections 544(b), 550, and 551 of the Bankruptcy Code, avoiding, recovering and preserving for the benefit of the estates (i) the

Century-TCI Transfer, and (ii) all Century-TCI Security Interests securing the Century-TCI Transfer, together with all interest paid in respect of the obligations avoided hereunder;

(xvii) on its Seventeenth Claim for Relief, pursuant to sections 544(b) and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates the Fleet Payments;

(xviii) on its Eighteenth Claim for Relief, pursuant to sections 544(b) and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates the Fleet Payments;

(xix) on its Nineteenth Claim for Relief, pursuant to sections 548 and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates at least $3,121,043.89;

(xx) on its Twentieth Claim for Relief, pursuant to sections 548 and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates at least $3,121,043.89;

(xxi) on its Twenty-First Claim for Relief, pursuant to sections 544(b) and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates the HSBC Payments;

(xxii) on its Twenty-Second Claim for Relief, pursuant to sections 544(b) and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates the HSBC Payments;

(xxiii) on its Twenty-Third Claim for Relief, pursuant to sections 544(b) and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates the Key Bank Payments;

(xxiv) on its Twenty-Fourth Claim for Relief, pursuant to sections 544(b) and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates the Key Bank Payments;

(xxv) on its Twenty-Fifth Claim for Relief, pursuant to sections 544(b) and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates the BNS Payments;

(xxvi) on its Twenty-Sixth Claim for Relief, pursuant to sections 544(b) and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates the BNS Payments;

(xxvii) on its Twenty-Seventh Claim for Relief, pursuant to sections 544(b) and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates at least $10,446,935.69;

(xxviii) on its Twenty-Eighth Claim for Relief, pursuant to sections 544(b) and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates at least $10,446,935.69;

(xxix) on its Twenty-Ninth Claim for Relief, pursuant to sections 544(b) and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates the CIBC Payments;

(xxx) on its Thirtieth Claim for Relief, pursuant to sections 544(b) and 550 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates the CIBC Payments;

(xxxi) on its Thirty-First Claim for Relief, pursuant to sections 548, 550, and 551 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates all Margin Payments made on or within one year preceding the Petition Date;

(xxxii) on its Thirty-Second Claim for Relief, pursuant to section 1975 of title 12 of the United States Code, an amount that is three times the amount of the damages sustained, in an amount to be determined at trial, plus costs and attorneys' fees;

(xxxiii) on its Thirty-Third Claim for Relief, (a) judgment equitably disallowing Defendants' claims in their entirety; or, alternatively, (b) pursuant to Section 510(c) of the Bankruptcy Code, judgment: (i) subordinating Defendants' claims to the prior payment in full of the claims of unsecured creditors of the Debtors, including, but not limited to any intercompany claims, and (ii) preserving the liens granted under the Co-Borrowing Facilities for the benefit of the Debtors' estates;

(xxxiv) on its Thirty-Fourth Claim for Relief, recharacterizing that portion of the Co-Borrowing Facilities used for the purchase of stock as an equity contribution to Adelphia in an amount not less than $2 billion;

(xxxv) on its Thirty-Fifth Claim for Relief, recharacterizing that portion of the Century-TCI Facility used for the purchase of stock as an equity contribution to Adelphia in an amount not less than $400 million;

(xxxvi) on its Thirty-Sixth Claim for Relief, awarding Plaintiffs damages in the amount of at least $5 billion, or such other amount to be determined at trial, plus punitive damages in an amount to be determined at trial;

(xxxvii) on its Thirty-Seventh Claim for Relief, awarding Plaintiffs damages in the amount of at least $5 billion, or such other amount to be determined at trial, plus punitive damages in an amount to be determined at trial;

(xxxviii) on its Thirty-Eighth Claim for Relief, awarding Plaintiffs damages in the amount of at least $5 billion, or such other amount to be determined at trial, plus punitive damages in an amount to be determined at trial;

(xxxix) on its Thirty-Ninth Claim for Relief, awarding Plaintiffs damages in the amount of at least $5 billion, or such other amount to be determined at trial, plus punitive damages in an amount to be determined at trial;

(xl) on its Fortieth Claim for Relief, awarding Plaintiffs damages in the amount of at least $5 billion, or such other amount to be determined at trial, plus punitive damages in an amount to be determined at trial;

(xli) on its Forty-First Claim for Relief, granting Plaintiffs a declaration that the Debtors are not liable for any of the Obligations under the CCH Credit Agreement in excess of those permitted by the CCH Credit Agreement;

(xlii) on its Forty-Second Claim for Relief, granting Plaintiffs a declaration that the Debtors are not liable for any of the Obligations under the Olympus Credit Agreement in excess of those permitted by the Olympus Credit Agreement;

(xliii) on its Forty-Third Claim for Relief, pursuant to sections 547, 550, and 551 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates, the Century-TCI Payments;

(xliv) on its Forty-Fourth Claim for Relief, pursuant to sections 547, 550, and 551 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates, the Parnassos Payments;

(xlv) on its Forty-Fifth Claim for Relief, terminating the UCA/HHC Security Interests, returning to the Debtors all amounts paid by the Debtors in respect of funds drawn under the UCA/HHC Facility that were used by the Rigas Family, plus interest from the date of each payment made by the Debtors to the UCA/HHC Co-Borrowing Lenders, and terminating any purported right of the UCA/HHC Lenders to payment from the Debtors for amounts drawn under the UCA/HHC Co-Borrowing Facility by the Rigas Family;

(xlvi) on its Forty-Sixth Claim for Relief, terminating the CCH Security Interests, returning to the Debtors all amounts paid by the Debtors in respect of funds drawn under the CCH Facility that were used by the Rigas Family, plus interest from the date of each payment made by the Debtors to the CCH Co-Borrowing Lenders, and terminating any purported right of the CCH Lenders to payment from the Debtors for amounts drawn under the CCH Co-Borrowing Facility by the Rigas Family;

(xlvii) on its Forty-Seventh Claim for Relief, terminating the Olympus Security Interests, returning to the Debtors all amounts paid by the Debtors in respect of funds drawn under the Olympus Facility that were used by the Rigas Family, plus interest from the date of each payment made by the Debtors to the Olympus Co-Borrowing Lenders, and terminating any

purported right of the Olympus Lenders to payment from the Debtors for amounts drawn under the Olympus Co-Borrowing Facility by the Rigas Family;

(xlviii) on its Forty-Eighth Claim for Relief, estopping the Co-Borrowing Lenders from retaining and enforcing the Co-Borrowing Security Interests, from retaining principal and interest payments made by the Debtors in respect of amounts drawn down under the Co-Borrowing Facilities for the benefit of the Rigas Family, and from seeking to recover outstanding principal and interest payments from the Debtors with respect to funds drawn under the Co-Borrowing Facilities for the benefit of the Rigas Family;

(xlix) on its Forty-Ninth Claim for Relief, avoiding, recovering, and preserving for the benefit of the Debtors' estates the Frontiervision Preferential Transfers;

(l) on its Fiftieth Claim for Relief, avoiding, recovering, and preserving for the benefit of the Debtors' estates the CCH Preferential Transfers;

(li) on its Fifty-First Claim for Relief, pursuant to sections 547, 550, and 551 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates the Olympus Preferential Transfers;

(lii) on its Fifty-Second Claim for Relief, pursuant to sections 547, 550, and 551 of the Bankruptcy Code, avoiding, recovering, and preserving for the benefit of the Debtors' estates the UCA/HHC Preferential Transfers;

(liii) awarding Plaintiffs pre-judgment interest on its claims together with its costs and attorneys' fees, to the fullest extent allowed by law; and

(liv) awarding Plaintiffs such other and further relief as the Court may deem just and proper and appropriate to redress the harm caused by Defendants' conduct.

Dated: New York, New York
July 6, 2003

Respectfully submitted,

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

Hearing Date: TBD
Objection Deadline: TBD

In re	Chapter 11 Cases
	Jointly Administered
Adelphia Communications Corporation, et al.,	Case No. 02-41729 (REG)
Debtors.	**EVIDENTIARY HEARING REQUESTED**

MOTION FOR ORDER APPROVING THREE RELATED AGREEMENTS BETWEEN THE DEBTORS AND THE SECURITIES AND EXCHANGE COMMISSION, THE DEBTORS AND THE DEPARTMENT OF JUSTICE AND THE DEBTORS AND THE RIGAS FAMILY

TO: THE HONORABLE ROBERT E. GERBER,
UNITED STATES BANKRUPTCY JUDGE:

The debtors and debtors in possession (collectively, the "Debtors" or "Adelphia") in the above-captioned cases, by their attorneys, respectfully represent:

PRELIMINARY STATEMENT

1. By this motion (the "Motion"), the Debtors seek approval of three separate but related agreements by and among (i) the Debtors and the Securities and Exchange Commission (the "SEC"), (ii) the Debtors and the U.S. Department of Justice -- Office of the United States Attorney for the Southern District of New York (the "DoJ"), and (iii) the Debtors and the Rigas Family (collectively, the "Settlement Agreements").[1] The Settlement Agreements and the transactions embodied therein constitute a critical milestone in these cases.

INTRODUCTION

2. On March 27, 2002, Adelphia Communication Corporation ("ACC") disclosed that it was liable jointly and severally for more than $2 billion of borrowings attributed to certain of the Managed Entities under certain credit facilities (the "Co-Borrowing Facilities") that were not reflected as debt on Adelphia's consolidated financial statements. This disclosure led to the disclosure of numerous alleged improprieties involving members of the family of John J. Rigas and/or entities in which such members directly or indirectly held controlling interests. In connection with these disclosures, certain members of the Rigas Family resigned their positions as officers and directors of ACC in May 2002. John J. Rigas and Timothy J. Rigas subsequently were indicted and convicted of certain federal criminal charges.

3. As a result of the activities of certain members of the Rigas Family and then-current management (collectively, "Rigas Management"), the SEC and the DoJ (collectively, the "Government") each initiated significant actions against or investigations of Adelphia, Rigas Management and other related parties. Among other things, the SEC initiated a

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[1] Capitalized terms used but not defined herein have the meanings ascribed to them in the Settlement Agreements, copies of which are annexed hereto.

civil enforcement action against ACC, certain members of the Rigas Family and Rigas Management, and the DoJ prosecuted certain members of the Rigas Family and other co-conspirators and empanelled grand juries to investigate the alleged wrongful conduct.

4. Although the DoJ has secured convictions of the primary wrongdoers, John J. Rigas and Timothy J. Rigas, the Debtors have been threatened with the real and present possibility of being indicted for the wrongful acts of Rigas Management. Further, the DoJ has (i) initiated proceedings to forfeit certain Rigas Family entities that own cable franchises and operationally and financially are integrated fully into the business of and managed by the Debtors,[2] and (ii) threatened the Debtors with the possibility of indicting such managed entities. The inability to include the Managed Entities (other than Coudersport Television Cable Co. ("Coudersport") and Bucktail Broadcasting Corp. ("Bucktail")) (the "Forfeited Managed Entities") in the Debtors' estates, whether through forfeiture or indictment, would deprive the Debtors of hundreds of millions of dollars of value and leave the Debtors liable (without recourse to the value of the Forfeited Managed Entities) for all of the Rigas Family entities' liabilities under the Co-Borrowing Facilities even while the Debtors still were exposed to billions of dollars of restitution and civil claims by the Government. Worse, the indictment of the Debtors could devastate any possibility of the Debtors reorganizing.

5. By this Motion, the Debtors seek approval of the Settlement Agreements that, among other things, (i) eliminate the threat of a criminal indictment, (ii) resolve over $5 billion in SEC claims against these estates, and (iii) ensure that the Debtors obtain the Forfeited

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[2] These sixteen legal entities, which hold 11 cable franchises, have approximately 227,000 subscribers in the aggregate as of March 2005 and, as explained below, if Adelphia is unable to deliver these entities in connection with its pending sale, the purchase price payable to Adelphia would be reduced by approximately $990 million. The Debtors have been engaged in protracted litigation with the Rigas Family to attempt to recover the Managed Entities and other related assets.

Managed Entities as property of these estates. The Settlement Agreements are comprised of three separate, but interdependent, agreements:

(a) An agreement between Adelphia and the DoJ (the "DoJ/Adelphia Agreement")

(b) An agreement between Adelphia and the Rigas Family (the "Rigas/Adelphia Agreement"); and

(c) Adelphia's agreement to the entry of a consent decree providing for a final judgment in the SEC Action (the "SEC/Adelphia Agreement").

The Rigas Family and the Government also entered into a related settlement agreement (the "Rigas/Government Agreement"). Although related, the Rigas/Government Agreement is not before the Court for approval because the Debtors are not parties to such agreement. However, the Debtors note that the Rigas/Government Agreement, which provides for the Rigases to forfeit the Forfeited Managed Entities to the Government (which the Government has agreed to transfer to the Debtors pursuant to the DoJ/Adelphia Agreement), contains a number of conditions precedent to such forfeiture, including that this Court shall have approved the Rigas/Adelphia Agreement and the DoJ/Adelphia Agreement. The Rigas/Government Agreement further provides that such conditions precedent must be satisfied on or before June 1, 2005, or such other date as may be set for sentencing,[3] or such agreement will become voidable by either party.

6. Among other significant benefits, the Settlement Agreements (i) relieve the Debtors of the persistent indictment threat, (ii) eliminate the possibility of losing the value of the Forfeited Managed Entities and having to make restitution payments to the Government (a

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[3] Although sentencing of John J. Rigas and Timothy J. Rigas presently is set for June 1, 2005, the Government has requested that the Debtors obtain this Court's approval of the Settlement Agreements no later than May 20, 2005, the date on or about which the Government's sentencing submissions to the District Court are expected to be due.

double hit), (iii) resolve the SEC's asserted multi-billion dollar claim against ACC, and (iv) ensure the Forfeited Managed Entities are included in the Debtors' estates.

BACKGROUND

Events Leading Up to the Chapter 11 Filing and the Government Investigations and Actions

7. On March 27, 2002, Adelphia disclosed, among other things, that: (i) certain of the Debtors were jointly and severally liable for more than $2 billion of borrowings under the Co-Borrowing Facilities by various Rigas Family entities that were not reflected as debt on the Debtors' publicly disclosed consolidated financial statements; and (ii) a portion of the borrowings for which the Debtors were jointly and severally liable had been advanced to various Rigas Family entities to finance purchases of securities of ACC.

8. In the aftermath of this disclosure, (i) the stock of ACC was delisted from the NASDAQ National Market, (ii) Deloitte & Touche LLP ("Deloitte"), the Debtors' independent auditor at that time, suspended its auditing work on the Adelphia's consolidated financial statements for the year ended December 31, 2001 and withdrew its opinion for prior consolidated financial statements, and (iii) the Debtors ultimately defaulted under various credit facilities, notes and preferred stock.

9. In addition, a special committee of ACC's Board of Directors (the "Board"), composed solely of three members of the Board who were not members of the Rigas Family (the "Special Committee"), commenced a formal investigation into a broad range of accounting and disclosure problems and related party transactions between Adelphia entities and members and entities of the Rigas Family. This investigation led to the public disclosure of previously undisclosed information about the Rigas Family's co-borrowing activities, related party transactions, and involvement in accounting irregularities.

10. Ultimately, in May 2002, John J. Rigas resigned as President and Chief Executive Officer of ACC and as Chairman of the Board, and Timothy Rigas resigned as Executive Vice President, Chief Financial Officer and Treasurer. The Debtors also entered into an agreement with certain members of the Rigas Family, dated May 23, 2002 (the "Rigas Family Agreement"), pursuant to which, among other things, the members of the Rigas Family resigned from their positions as officers and directors of ACC.

11. Faced with the consequences of the wrongful conduct of certain members of the Rigas Family and others, and with no access to traditional sources of liquidity in the capital markets, pending governmental agency investigations, mounting litigation, default notifications under various credit instruments, and the resulting risk of collection and foreclosure actions by creditors, the Debtors filed for chapter 11 protection in June 2002 and procured debtor in possession financing.

The Criminal Prosecution

12. In May 2002, Adelphia announced that grand juries in the Southern District of New York and the Middle District of Pennsylvania were investigating matters related to the Co-Borrowing Facilities and a broad range of other accounting and disclosure problems and related party transactions between Adelphia entities and members and entities of the Rigas Family. Subsequently, on July 24, 2002, certain members of Rigas Management were arrested, and on September 23, 2002, were indicted by a grand jury in the Southern District of New York on charges including securities fraud, bank fraud and conspiracy to commit fraud. Although none of the Debtors were indicted, at no point did the DoJ rule out such a possibility (although the Debtors requested as early as the Summer of 2002 that the DoJ agree not to pursue an indictment of Adelphia).

13. On November 14, 2002, one alleged co-conspirator, James Brown, the former Vice-President of Finance, pleaded guilty to one count each of conspiracy, securities fraud and bank fraud. On January 10, 2003, another alleged co-conspirator, Timothy Werth, the former Director of Accounting, who had not been arrested with the others on July 24, 2002, pleaded guilty to one count each of securities fraud, conspiracy to commit securities fraud, wire fraud and bank fraud.

14. On February 23, 2004, the trial in the Rigas criminal action began in the District Court for the Southern District of New York. On July 8, 2004, the jury returned a partial verdict, finding John J. Rigas and Timothy J. Rigas each guilty of conspiracy (one count), bank fraud (two counts), and securities fraud (15 counts) and not guilty of wire fraud (five counts). Michael J. Mulcahey was acquitted of all 23 counts against him. The jury found Michael J. Rigas not guilty of conspiracy and wire fraud but remained undecided on the securities fraud and bank fraud charges against him.[4]

15. Sentencing of John J. Rigas and Timothy J. Rigas currently is scheduled for June 1, 2005. John J. and Timothy J. Rigas have announced in court papers that they intend to appeal the guilty verdicts. Michael J. Rigas's re-trial has been scheduled for October 24, 2005.

16. The indictment against certain members of the Rigas Family includes a request by the DoJ for entry of a money judgment in an amount exceeding $2.5 billion and for entry of an order of criminal forfeiture.

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[4] On July 9, 2004, the court declared a mistrial on the remaining charges against Michael J. Rigas after the jurors were unable to reach a verdict as to those charges. The bank fraud charges against Michael J. Rigas have since been dismissed with prejudice. The district court has scheduled the re-trial of Michael J. Rigas on the securities fraud charges for October 24, 2005.

17. The DoJ has indicated that it may seek all interests of the convicted Rigas defendants in the Rigas Family entities through (i) criminal forfeiture, (ii) civil forfeiture of the assets of the Rigas Family entities, and/or (iii) indictment of such entities. On December 10, 2004, the DoJ filed an application for a preliminary order of forfeiture finding John J. and Timothy J. Rigas jointly and severally liable for personal money judgments in the amount of $2.5 billion.

18. The Debtors are not defendants in the criminal action. However, the Debtors remain a subject of the DoJ investigation regarding matters related to alleged wrongdoing of Rigas Management. In addition, the DoJ has advised Debtors' counsel on several occasions that there is a "real risk" of an indictment of Adelphia. For example, when the Creditors' Committee announced their plan of reorganization term sheet in November 2004, which contained terms inconsistent with the Government's expectations, only the extensive efforts and assurances of the Debtors and their advisors avoided a possible indictment. More recently, the Debtors were threatened with indictment if they were unable to reach agreement on settlement terms with the DoJ and the Rigas Family by the previously scheduled sentencing date of April 18, 2005 for John J. Rigas and Timothy J. Rigas.

19. Since the members of the Rigas Family resigned their positions as officers and directors of Adelphia in May 2002, the Debtors continuously have provided the Government with unwavering cooperation, including access to personnel and information to assist the DoJ with its investigation of matters related to the alleged wrongdoing of Rigas Management and its criminal prosecution of certain individuals involved in these matters.

The SEC Action

20. As a result of the actions of Rigas Management, on April 3, 2002, Adelphia announced that the SEC was conducting an informal inquiry into the Co-Borrowing

Facilities. On April 17, 2002, Adelphia announced that the SEC had issued a formal order of investigation in connection with the Co-Borrowing Facilities.

21. On July 24, 2002, the SEC filed a civil enforcement action (the "SEC Action") against ACC, certain members of the Rigas Family and others, alleging various securities fraud and improper books and records claims arising out of actions allegedly taken or directed by certain members of Rigas Management. By order of the District Court for the Southern District of New York, the Civil Action is stayed until April 29, 2005.[5]

22. On December 3, 2003, the SEC filed a proof of claim in these cases against ACC for, among other things, penalties, disgorgement and prejudgment interest in an unspecified amount based on the allegations in the SEC Action.[6] The staff of the SEC has indicated that its asserted claims could amount to several billions of dollars of liabilities against the Debtors.

23. The SEC has informed the Debtors' advisors that, in the absence of a settlement, the SEC would seek hundreds of millions of dollars of civil penalties and the disgorgement from the Debtors of all funds raised through public offerings during the period that the Debtors' financial statements contained material misstatements and omissions. The amount

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[5] The SEC Action is not subject to section 362 of the Bankruptcy Code.

[6] On July 14, 2004, the Creditors' Committee initiated an adversary proceeding against the SEC related to the SEC's proof of claim, seeking, among other things, (i) to subordinate the SEC's claim to all of the claims and interests that are senior or equal to the claims and interests on whose behalf the SEC claim has been asserted, (ii) a declaration that the claim is solely against ACC and that the SEC is barred from asserting claims against any and all other Debtors. On August 12, 2004, the SEC filed an answer to the complaint. On September 15, 2004, this Court entered an order permitting the Equity Committee to intervene with certain limitations, and by a stipulation and order dated October 21, 2004, granted similar relief to the Adelphia Trade Claims Committee. Also on October 21, 2004, the SEC filed a motion to dismiss the adversary proceeding based on the alleged absence of a justiciable case or controversy. The Creditors' Committee filed its opposition to the SEC's motion to dismiss and a cross-motion for summary judgment on December 3, 2004, and the SEC filed its reply on March 17, 2005. The current deadlines for further replies are May 6 and May 20, 2005, respectively.

of such funds, excluding the securities placed with the Rigases, is between approximately $5 billion and $6 billion.

24. It is the Debtors' understanding that the District Court in the SEC Action has scheduled a "settlement approval hearing" for May 6, 2005 at 10:00 a.m. The Debtors anticipate that the District Court will consider approval of SEC consent decrees that have been agreed to at this hearing.

The Adelphia/Rigas Litigation

25. On July 24, 2002, ACC filed a complaint in this Court against John J. Rigas, Michael J. Rigas, Timothy J. Rigas, James P. Rigas, James Brown, Michael Mulcahey, Peter Venetis, Doris Rigas, Ellen Rigas Venetis and several Rigas Family Entities (the "Adelphia/Rigas Litigation"). The complaint in that action generally alleges that the defendants misappropriated billions of dollars from the Debtors in violation of their fiduciary duties. On November 15, 2002, ACC filed an amended complaint against the defendants that expanded upon the facts alleged in the original complaint and alleged counts for violations of the Racketeer Influenced and Corrupt Organizations ("RICO") Act, breach of fiduciary duty, securities fraud, fraudulent concealment, fraudulent misrepresentation, conversion, waste of corporate assets, breach of contract, unjust enrichment, fraudulent conveyance, constructive trust, inducing breach of fiduciary duty, and a request for an accounting (the "Amended Complaint"). The Amended Complaint seeks relief in the form of, among other things, treble and punitive damages, disgorgement of monies and securities obtained as a consequence of the Rigases' improper conduct and attorneys' fees.

26. On June 28, 2004, this Court denied the motion of certain defendants in the Adelphia/Rigas Litigation to dismiss the state law claims alleged in the Amended Complaint and expressly reserved its ruling on certain federal law claims.

27. On August 20, 2004, after John J. Rigas and Timothy J. Rigas were convicted, ACC moved for partial summary judgment against John J. Rigas, Timothy J. Rigas, Michael Rigas, James Rigas and several Rigas Family entities on the unjust enrichment and constructive trust counts of the Amended Complaint, seeking, among other relief, judgment in the amount of $3.232 billion plus pre-judgment interest from April 30, 2002. This motion has been fully briefed but oral argument has not yet occurred.

28. Separately, in July 2003 and again in February 2004, certain Rigas Family members sought approval from the Bankruptcy Court to use cash from the Managed Entities to fund the civil and criminal defense costs of certain Rigas Family members. The Rigas Family members claimed they were entitled to this funding based on certain purported indemnity and other rights they asserted existed for officers, directors, and controlling shareholders of the Managed Entities.

29. By order dated August 7, 2003, among other things, this Court granted the Rigas Family members' request to the extent of $15,000,000. In a decision rendered from the bench on February 18, 2004 and entered as an order on March 9, 2004, this Court amended that order to allow an additional $12,800,000 to be spent on criminal defense costs and denied the Rigas Family members' request for additional funding for civil defense costs. Adelphia and the Creditors' Committee appealed the February 18, 2004 ruling to the District Court.[7]

30. On September 14, 2004, certain Rigas Family members again moved to amend the August 7, 2003 and March 9, 2004 orders, seeking approximately $11 million more in cash from the Managed Entities to fund civil and criminal defense costs. While that motion was

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[7] The Debtors and the Creditors' Committee moved the District Court for a stay pending the appeal of this Court's March 9, 2004 order, which was denied.

pending, the District Court issued a decision on September 27, 2004, vacating this Court's March 9, 2004 order and remanding the matter back to this Court for further consideration. The District Court held that this Court erred in granting the Rigas Family members' request for funding from the Managed Entities without first determining whether the Managed Entities had sufficient funds to pay those fees and whether the payment of such fees was in accordance with the Managed Entities' rights, duties and obligations under the applicable corporate law.

31. After conducting evidentiary hearings on both the remand and the further requests, this Court by written decision dated March 24, 2005 held: (i) with respect to the advancement of funds for the payment of the Rigases' defense costs, all discretionary advancement of funds for attorneys' fees was improper and that only mandatory advancement would be allowed; (ii) the by-laws of only two of the Managed Entities (Bucktail and Coudersport) provided for mandatory advancement; (iii) only Michael Rigas would be entitled to indemnification for defense costs, and John and Timothy Rigases' requests for indemnification were denied; and (iv) all funds advanced by managed entities that were not mandatory were to be returned to the Managed Entities. As of February 28, 2005, $27.8 million had been advanced to members of the Rigas Family for civil and criminal defense costs.

The Process of Negotiating the Settlement Agreements

32. From May 2002 when Rigas Management resigned, the Special Committee, acting as interim management, and thereafter current management[8] have endeavored to extend all possible cooperation to the Government to provide the Government with the

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[8] After an extensive and exhaustive search process, in early 2003, the Debtors hired William Schleyer and Ron Cooper as the new chairman and chief executive officer and president and chief operating officer, respectively. Messrs. Schleyer and Cooper recruited a sophisticated management team to manage the Debtors' businesses. Further, starting in the summer of 2002, the Board began the process of replacing all carryover directors with new, independent directors. All existing seven directors of the Board are new and, except for Mr. Schleyer, all are independent.

necessary information and support in prosecuting members of Rigas Management. In addition, starting in 2003, the Debtors, through their legal advisors, initiated settlement negotiations with the Government in an attempt to resolve the indictment threat and the SEC Action and to repatriate the Managed Entities to the Debtors.

33. Over an approximately 18 month period, the Debtors and their advisors had numerous meetings and discussions with representatives of the Government concerning, among other issues, the structure of the Debtors' businesses, the ongoing interrelationship between the businesses of the Debtors and the Managed Entities, and other related topics.

34. In June 2004, the Board authorized and the Debtors entered into substantive negotiations with the Government over the terms of a settlement with the DoJ and the SEC. The Government's initial position was that ACC would be required to pay approximately $1 billion to resolve its issues with the Government. ACC's initial counter-offers of $175 million and $300 million were rejected by the Government, which continued to insist that ACC would have to pay $1 billion in order to achieve settlement. ACC subsequently made a settlement offer of $600 million, and the Government reduced its settlement demand first to $750 million and then to $725 million.

35. Thereafter, Adelphia's Chairman and Chief Executive Officer, William Schleyer, and Lead Director, Anthony Kronman, personally met with the United States Attorney for the Southern District of New York and his staff in an effort to negotiate a more favorable settlement. As settlement discussions continued, the negotiations expanded to include the possibility of a three-way deal that not only would include settlements between Adelphia and the DoJ and the SEC, but also settlements between the Rigas Family and the Government, on the one hand, and the Rigas Family and Adelphia, on the other hand.